

FISCAL YEAR 2005 BUDGET

Fund Summary

Fund Name : Health Benefits
Department Name : Human Resources
Fund/Department No. : 888 / 80

	<u>FY2004 BUDGET</u>	<u>FY2004 ESTIMATE</u>	<u>FY2005 BUDGET</u>
Beginning Fund Balance	1,035,955	1,035,955	1,032,166
Current Revenues	<u>189,150,626</u>	<u>185,710,171</u>	<u>228,045,829</u>
Total Available Resources	<u>190,186,581</u>	<u>186,746,126</u>	<u>229,077,995</u>
Maintenance and Operations	<u>189,150,626</u>	<u>185,713,960</u>	<u>228,065,019</u>
Total Expenditures	<u>189,150,626</u>	<u>185,713,960</u>	<u>228,065,019</u>
Planned Ending Fund Balance	<u>1,035,955</u>	<u>1,032,166</u>	<u>1,012,976</u>
Total Budget	<u>190,186,581</u>	<u>186,746,126</u>	<u>229,077,995</u>

The above summarizes the FY2004 Budget, the FY2004 Estimate, and the FY2005 Budget for the Health Benefits Fund. Also included are the beginning and ending fund balances, total available resources and total expenditures.

Implemented in 1994, the health benefits delivery system continues to employ aggressive managed care features. The City's current health benefits model is a combination of Health Maintenance Organization (HMO) and Point of Service (POS) Program. The City is replacing the POS Program with a Preferred Provider Organization (PPO) effective May 1, 2004. These plans are supported by contributions from the City and subscribers. The Fund also includes two dental plans, a dental/health maintenance organization (DHMO) and dental indemnity plan.

Health Coverage

The City has contracted with HMO Blue Texas (HMOBTX) to provide health benefits for employees and retirees since May 1994. Effective May 1, 2004, the City will award HMO Blue Texas the 1st of two one-year options effective thru April 30, 2005. HMOBTX provides a fully insured HMO plan and administers the City's self-insured PPO program. Approximately 95% of the City's employees are enrolled in the HMO plan. Plan costs are capped and prescribed by a formula. Contributions are established at an 80%/20% ratio with the City contributing 80% of the aggregate cost.

Dental Insurance

The City has contracted with National Pacific Dental and Spectera Insurance Company, Inc. since 1995 to provide dental benefits for employees and retirees. Participants pay the full cost for the coverage. The City retained the current plan model: a managed care (DHMO) plan and an indemnity plan with an underlying network of dentists with discounted fees. There is no cost to the City for the dental program. Plan participants pay the full premium. FY2005 DHMO rates will increase approximately 10% while indemnity rates will remain the same.

Life Insurance

Effective October 1, 2003, the City awarded a three-year contract with two one-year renewal options to Standard Insurance Company. Standard offered the most competitive proposal to improve benefits and reduced the basic life insurance premium rate by 33%. Under such contract, the Basic Coverage is one times salary of the employee and the rates are guaranteed for three years. Premiums for Basic Coverage are paid for by the city, with employees funding Voluntary Coverage.

FISCAL YEAR 2005 BUDGET

Department Budget Summary

Fund Name : Health Benefits
Department Name : Human Resources
Fund/Department No. : 888 / 80

		<u>FY2003 Actual</u>	<u>FY2004 Budget</u>	<u>FY2004 Estimate</u>	<u>FY2005 Budget</u>
Expenditure Summary	Personnel Services	2,024,882	2,083,531	2,027,689	2,225,502
	Supplies	70,620	83,882	77,524	81,400
	Other Services and Charges	157,100,560	186,624,513	183,600,047	225,643,117
	Equipment	0	350,300	300	100,300
	Non-Capital Equipment	0	8,400	8,400	14,700
	Total M & O Expenditures	159,196,062	189,150,626	185,713,960	228,065,019
	Debt Service & Other Uses	0	0	0	0
Total Expenditures	159,196,062	189,150,626	185,713,960	228,065,019	

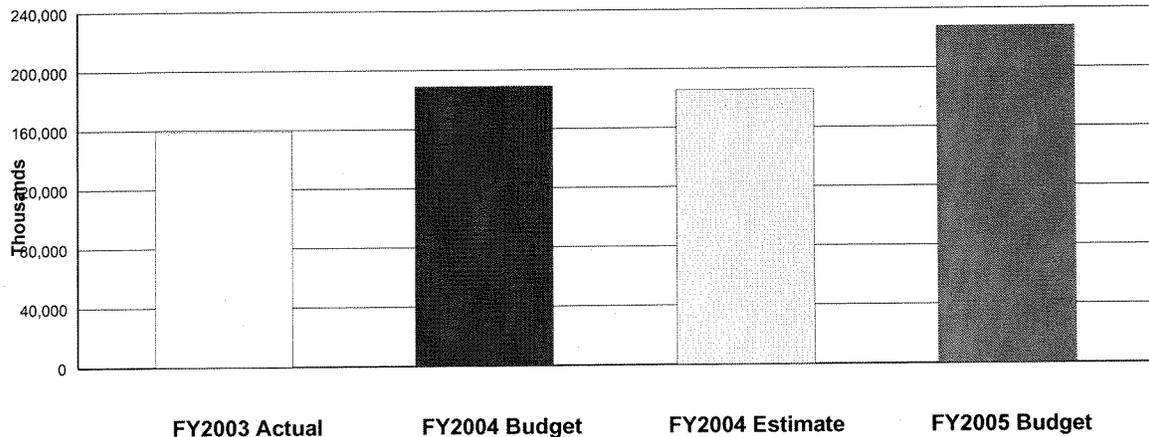
Revenue Summary	159,112,131	189,150,626	185,710,171	228,045,829
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Staffing Summary	Full-Time Equivalents - Civilian	37.4	38.8	37.9	39.7
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Total	37.4	38.8	37.9	39.7
	Full-Time Equivalents-Overtime	0.0	0.0	0.0	0.2

Budget Highlights

- o The FY2005 Budget Includes:
- o Explore options to mitigate cost to City and Subscribers.
- o Funding to maintain an 80/20% aggregate contribution ratio, City/Subscribers.
- o Contribution rates for active employees and retirees increased 110% in aggregate.
- o Explore web based enrollment system.

**Health Benefits
Human Resources
Expenditure Summary**



FISCAL YEAR 2005 BUDGET

Department Program Summary

Fund Name : Health Benefits
Department Name : Human Resources
Fund/Department No. : 888 / 80

Program Description	Program Objectives
<p>Health Benefits 1600 HMO Blue Texas 1225 Health Maintenance Organization (HMO) which provides employees with a managed healthcare plan.</p>	<p>Provide active employees with medical coverage to promote a healthy workforce.</p>
<p>Health Benefits 1600 Retiree Plan A 1312 Self-insured plan which provides a schedule of fees for medical coverage to retirees.</p>	<p>Provide retirees with medical coverage to prevent economic hardship.</p>
<p>Health Benefits 1600 Active Employee POS 1314 Preferred Provider Organization (POS/PPO) plan offered to provide comprehensive medical coverage to active employees.</p>	<p>Provide active employees with medical coverage to promote a healthy workforce.</p>
<p>Health Benefits 1600 Retiree POS 1315 Preferred Provider Organization (POS/PPO) plan offered to provide comprehensive medical coverage to retirees.</p>	<p>Provide retirees with medical coverage to prevent economic hardship.</p>
<p>Health Benefits 1600 Out of Area Plan 1316 Preferred Provider Organization plan offered to provide coverage for active employees and retirees who live outside the healthcare provider's service area (OOA/PPO).</p>	<p>Provide active employees and retirees with medical coverage to promote a healthy workforce.</p>
<p>Health Benefits 1600 Dental HMO 1321 Dental Health Maintenance Organization (DHMO) which provides employees with a managed dental plan. Plan is supported entirely by participants' premiums.</p>	<p>Provide employees with dental coverage to promote a healthy workforce.</p>

FISCAL YEAR 2005 BUDGET

Department Program Summary									
Fund Name : Health Benefits									
Department Name : Human Resources									
Fund/Department No. : 888 / 80									
Program Performance Measures	FY2003 Actual			FY2004 Estimate			FY2005 Budget		
	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$
Employee only	5,838			5,780			5,750		
Employee + 1	4,223			4,165			4,179		
Employee + 2 or more	9,514			9,587			9,603		
Retirees	5,788			6,302			7,020		
		0.0	136,736,695		0.0	160,884,220		0.0	199,604,135
Retiree only	10			23			26		
Retiree + 1	2			2			2		
Retiree + 2 or more	1			1			1		
		0.0	20,672		0.0	12,150		0.0	14,068
Employee only	287			291			291		
Employee + 1	144			144			144		
Employee + 2 or more	178			173			173		
		0.0	3,034,174		0.0	4,052,597		0.0	5,088,403
Retiree only	257			262			292		
Retiree + 1	134			137			152		
Retiree + 2 or more	12			12			14		
		0.0	1,749,747		0.0	2,245,712		0.0	3,013,625
Employee only	2			1			1		
Employee + 1	3			4			4		
Employee + 2 or more	5			5			5		
Retirees	348			367			408		
		0.0	1,772,234		0.0	2,353,767		0.0	3,123,204
Employee only	3,885			3,940			3,950		
Employee + 1	2,647			2,645			2,650		
Employee + 2 or more	4,886			4,915			4,925		
Retirees	1,220			1,430			1,528		
		0.0	2,516,011		0.0	2,637,861		0.0	2,963,750

FISCAL YEAR 2005 BUDGET

Department Program Summary

Fund Name : Health Benefits
Department Name : Human Resources
Fund/Department No. : 888 / 80

Program Description	Program Objectives
<p>Health Benefits 1600 Dental Indemnity 1322</p> <p>Insured dental plan offered to provide comprehensive dental coverage to all employee/retiree groups. Plan is supported entirely by participants' premiums.</p>	<p>Provide employees with dental coverage to promote a healthy workforce.</p>
<p>Health Benefits 1600 Dependent Care Reimbursement Plan 1325</p> <p>Employees can reimburse themselves with tax-free money for dependent care expenses.</p>	<p>Provide employees with option to save money by contributing pretax money to an account. Reimburses them for eligible dependent care expenses.</p>
<p>Health Benefits 1600 Employee Basic Life 1411</p> <p>This insured plan provides one times salary of life insurance to employees and up to \$2,000 dependent coverage at no expense to the employee.</p>	<p>Provide active employees life insurance coverage.</p>
<p>Health Benefits 1600 Active Employee Vol Life 1421</p> <p>This insured plan offers additional life insurance which is provided by a commercial carrier and is supported entirely by employees' premiums.</p>	<p>Provide active employees an option for additional life insurance coverage.</p>
<p>Health Benefits 1600 Retiree Vol Life \$2,000 1422</p> <p>This plan provides retirees with \$2,000 in life insurance. The cost is supported entirely by retirees' premiums.</p>	<p>Provide retiree life insurance coverage to prevent economic hardship.</p>
<p>Health Benefits 1600 Retiree Vol Life \$5,000 1423</p> <p>This plan provides retirees with \$5,000 in basic life insurance coverage. The plan is supported entirely by retirees' premiums.</p>	<p>Provide retiree life insurance coverage to prevent economic hardship.</p>

FISCAL YEAR 2005 BUDGET

Department Program Summary									
Fund Name : Health Benefits									
Department Name : Human Resources									
Fund/Department No. : 888 / 80									
Program Performance Measures	FY2003 Actual			FY2004 Estimate			FY2005 Budget		
	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$
Employee only	1,945			1,915			1,925		
Employee + 1	1,352			1,350			1,350		
Employee + 2 or more	2,685			2,750			2,675		
Retirees	1,321			1,470			1,585		
		0.0	4,829,981		0.0	5,225,494		0.0	5,417,457
Employees participating	35			40			40		
		0.0	144,481		0.0	160,000		0.0	160,000
Active employees covered	20,947			21,100			21,200		
		0.0	1,496,177		0.0	1,169,689		0.0	1,177,861
Employee	10,621			10,550			10,600		
Spouse	4,707			4,650			4,675		
Children	5,363			5,325			5,375		
		0.0	4,198,897		0.0	4,217,245		0.0	4,239,695
Retirees covered	264			265			0		
		0.0	1,601		0.0	396		0.0	0
Retirees covered	6,250			7,150			7,850		
		0.0	90,961		0.0	53,196		0.0	38,151

FISCAL YEAR 2005 BUDGET

Department Program Summary	
Fund Name : Health Benefits Department Name : Human Resources Fund/Department No. : 888 / 80	
Program Description	Program Objectives
Health Benefits 1600 Benefits Administration 1700 Administer and analyze City sponsored benefits for employees, retirees, and their dependents.	Maintain health benefits delivery plan, monitor contract compliance, analyze the financial status of fund, and educate employee on how to be informed consumers of their City-sponsored health and welfare plans. Create a productive workforce by reducing problems of a personal nature; train supervisors to recognize potential risks; and create a drug-free work place. Educate employees about providing excellent customer service; educate employees/retirees about health issues and using their benefits wisely. Organize employee recognition programs. Promote a positive image of the City and its employees to the public. Design plans that address strategic goals; analyze data to predict trends; monitor vendor service to determine quality of care. Monitor quality and service of vendors and adherence to performance standards. Post, analyze, monitor, prepare and review financial documents associated with health benefits, and long term disability.
Health Benefits 1600 Employee Assistance Program 1750 Offer confidential assessment, referral and short-term counseling to employees with personal concerns that may adversely affect work performance. Serve as a leader in compliance with the Drug Free Workplace Act. Provide consultation and education to supervisors/managers	
Health Benefits 1600 Communications 1760 Communicate to employees their role in the organization, in following Mayor Brown's guiding principles, and the importance of excellent customer service. Improve employee morale, foster teamwork, recognize employee achievements, inform citizens about City services.	
Health Benefits 1600 Benefits Planning & Development 1770 Design, analyze, and monitor City sponsored employee Health and Welfare benefits plans. Conduct annual health benefits satisfaction surveys. Conduct annual health fair.	
Health Benefits 1600 Benefits Financial Division 1780 Assist in the design, maintenance, and interpretation of management reports on operational and financial matters; prepare the budget, and monitor the various benefits plans' financial impacts.	

FISCAL YEAR 2005 BUDGET

Department Program Summary									
Fund Name : Health Benefits Department Name : Human Resources Fund/Department No. : 888 / 80									
Program Performance Measures	FY2003 Actual			FY2004 Estimate			FY2005 Budget		
	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$
Employee Education meeting	418			637			600		
Process COBRA letters	1,230			1,517			1,400		
Process enrollment changes	8,655			8,618			8,000		
Handle employee inquires	54,900			62,103			70,000		
		20.2	1,243,518		21.7	1,376,258		21.7	1,740,614
Supervisory training	1,008			150			250		
Assess & Refer employees	753			730			775		
Employees oriented/ Seminar attendance	5,086			2,000			2,000		
		4.0	244,519		4.0	252,351		4.0	262,817
Extra Milers newsletters	4			4			4		
Combined Mun. Campaign	1			1			1		
Public Service Recognition	1			1			1		
Benefits Publication	12			16			15		
City Savvy	4			4			4		
		6.0	434,939		6.0	450,780		6.0	465,375
Meet with vendor	12			12			12		
Conduct annual surveys	1			0			0		
Annual Health Fair	1			1			1		
Meet with Dental vendor	4			1			1		
		2.5	152,264		1.2	97,555		2.0	143,724
Prepare Monthly Financial	12			12			12		
Prepare Budget	1			1			1		
		4.7	529,191		5.0	524,689		6.0	612,140
Total		<u>37.4</u>	<u>159,196,062</u>		<u>37.9</u>	<u>185,713,960</u>		<u>39.7</u>	<u>228,065,019</u>

FISCAL YEAR 2005 BUDGET

Fund Name : : **Health Benefits**
 Department Name : : **Human Resources**
 Fund / Department No. : **888 / 80**

NO. of POSITIONS	JOB DESCRIPTION	JOB CLASS CODE	PAY GRADE
1	ACCOUNTING SERVICES SUPERVISOR	3427	16
1	ADMINISTRATION MANAGER	3029	26
1	ADMINISTRATIVE AIDE	3011	10
1	ADMINISTRATIVE ASSISTANT	3022	17
2	ADMINISTRATIVE COORDINATOR	3026	24
1	ADMINISTRATIVE SPECIALIST	3025	20
1	ADMINISTRATIVE SUPERVISOR	3035	22
2	ASSISTANT DIRECTOR-HUMAN RESOURCES(EXE LEV)	4029	32
1	COMMUNICATIONS SPECIALIST	8711	15
2	CUSTOMER SERVICE REPRESENTATIVE I	8862	13
2	CUSTOMER SERVICE REPRESENTATIVE II	8863	15
1	DIVISION MANAGER	3030	29
1	EAP MANAGER	4115	26
1	EXECUTIVE SECRETARY	4922	15
1	FINANCIAL ANALYST III	3563	21
1	FINANCIAL ANALYST IV	3564	25
1	GRAPHIC DESIGNER	8724	17
5	HUMAN RESOURCES ASSISTANT	4014	13
2	HUMAN RESOURCES SPECIALIST	4021	17
1	HUMAN RESOURCES SUPERVISOR	4027	24
1	RECEPTIONIST	4821	7
1	SENIOR ACCOUNT CLERK	3412	13
2	SENIOR CLERK	4813	8
2	SENIOR COMMUNICATIONS SPECIALIST	8712	20
2	SENIOR EAP COUNSELOR	4113	22
1	SENIOR SECRETARY	4921	12
2	STAFF ANALYST	3041	26
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40.0	Total Positions		
0.3	Less adjustment for Vacancies and Part-Time Employees		
39.7	Full-Time Equivalent		

FISCAL YEAR 2005 BUDGET

Department Revenue Summary						
Fund Name		: Health Benefits				
Department Name		: Human Resources				
Fund/Department No.		: 888 / 80				
Source	Description	Program Org	Program Name	FY2004 Budget	FY2004 Estimate	FY2005 Budget
7350	Other Intfd Services	1225	HMO Blue Texas	0	(4,200,000)	0
8700	Active Empl-City Share Health	1225	HMO Blue Texas	115,399,246	114,576,579	128,818,602
8706	Retirees B-City Share Health	1225	HMO Blue Texas	30,417,355	31,153,924	35,447,770
8710	Active Empl Cont-Health Plan	1225	HMO Blue Texas	13,105,996	13,788,026	22,284,769
8725	Retirees A Pension Contrib	1225	HMO Blue Texas	5,996,379	7,028,119	15,756,386
8706	Retirees B-City Share Health	1312	Retiree Plan A	5,714	4,574	5,375
8725	Retirees A Pension Contrib	1312	Retiree Plan A	10,935	8,141	8,883
8700	Active Empl-City Share Health	1314	Active Employee POS	3,432,745	3,391,211	3,427,880
8710	Active Empl Cont-Health Plan	1314	Active Employee POS	742,977	899,249	1,729,380
8706	Retirees B-City Share Health	1315	Retiree POS	1,821,109	1,551,878	1,271,632
8725	Retirees A Pension Contrib	1315	Retiree POS	870,048	890,946	1,782,770
8700	Active Empl-City Share Health	1316	Out of Area Plan	64,949	80,424	75,494
8706	Retirees B-City Share Health	1316	Out of Area Plan	1,795,162	1,655,438	1,325,369
8710	Active Empl Cont-Health Plan	1316	Out of Area Plan	11,327	19,078	39,661
8725	Retirees A Pension Contrib	1316	Out of Area Plan	710,018	800,238	1,724,944
8710	Active Empl Cont-Health Plan	1321	Dental HMO	2,367,029	2,377,715	2,650,556
8725	Retirees A Pension Contrib	1321	Dental HMO	234,051	260,146	313,194
8710	Active Empl Cont-Health Plan	1322	Dental Indemnity	4,654,017	4,329,106	4,406,614
8725	Retirees A Pension Contrib	1322	Dental Indemnity	864,250	896,388	1,010,843
8711	Active Employee Depend Care	1325	Dependent Care Reimbursement	160,000	160,000	160,000
8700	Active Empl-City Share Health	1411	Employee Basic Life	1,609,545	1,261,957	1,177,861
8710	Active Empl Cont-Health Plan	1421	Active Employee Vol Life	4,384,119	4,217,245	4,239,695
8725	Retirees A Pension Contrib	1422	Retiree Vol Life \$2,000	2,084	762	0
8725	Retirees A Pension Contrib	1423	Retiree Vol Life \$5,000	94,947	61,747	38,151
8300	Interest On Pooled Investments	1700	Benefits Administration	350,000	275,000	300,000
8830	Prior Year Expend Recovery	1700	Benefits Administration	46,624	222,280	50,000
Total Human Resources				<u>189,150,626</u>	<u>185,710,171</u>	<u>228,045,829</u>

FISCAL YEAR 2005 BUDGET

Fund Name : Health Benefits
 Department Name : Human Resources
 Fund/Department No. : 888 / 80

ACCT	DESCRIPTION	FY2003 Actual	FY2004 Budget	FY2004 Estimate	FY2005 Budget
1100	Salary-Base Pay-Civilian	1,536,495	1,546,137	1,470,052	1,608,880
1105	Salary-Part Time-Civilian	10,400	15,960	13,578	13,574
1113	Bilingual Pay-Civilian	3,570	3,600	4,500	4,500
1120	Overtime-Civilian	14,709	7,999	7,999	8,011
1130	Termination Pay-Civilian	3,212	900	900	900
1135	Pension-Civilian	152,870	154,613	211,501	193,065
1140	Social Security-Civilian	115,367	119,191	109,538	124,051
1145	Health/Life Ins Active Civilian	172,421	216,131	187,262	201,536
1146	Health/Life Ins Retiree Civilian	2,496	2,362	10,005	10,865
1405	Workers Compensation-Civilian	7,823	11,915	7,765	8,517
1415	Unemployment Claims	1,173	1,400	1,400	1,365
1420	Long Term Disability	4,346	3,323	3,189	6,794
1981	Compensation Contingency	0	0	0	43,444
Total Personnel Services		2,024,882	2,083,531	2,027,689	2,225,502
2300	Audio-Visual Supplies	296	1,000	1,000	1,000
2305	Computer Supplies	9,787	12,300	11,500	14,000
2306	Paper & Printing Supplies	4,574	7,000	6,000	6,000
2315	Publications & Printed Materials	1,850	2,958	2,200	2,400
2323	Postage	32,295	34,624	34,824	36,000
2325	Miscellaneous Office Supplies	20,782	25,000	20,000	20,000
2738	Miscellaneous Parts & Supplies	1,036	1,000	2,000	2,000
Total Supplies		70,620	83,882	77,524	81,400
3107	Temporary Personnel Services	75,911	46,600	35,500	46,600
3205	Insurance Fees	1,496,177	1,609,545	1,169,689	1,177,861
3206	Insurance Administration Fees	489,915	615,734	570,025	590,064
3250	Employee Medical Claims	10,060,197	11,849,637	11,566,505	13,120,874
3251	Retiree Medical Claims	3,033,927	4,558,753	4,013,195	5,487,874
3255	Retiree "A" Medical Claims	12,863	6,739	5,085	5,554
3265	Employee Premiums	111,316,885	131,067,355	128,447,543	153,787,573
3267	Stop Loss Premiums	325,917	399,291	372,771	416,141
3270	Retiree Premiums	29,855,750	35,838,091	36,867,514	50,254,408
3305	Advertising Services	3,233	15,500	12,500	12,500
3330	Legal Services	2,365	4,000	4,000	4,000
3335	Management Consulting Services	152,534	300,000	240,252	440,000
3345	Miscellaneous Support Services	11,103	9,000	8,000	8,000
3400	Real Estate Lease/Office Rental	93,468	93,468	93,468	93,468
3402	Parking Space Rental	5,356	15,400	8,400	8,400
3404	Metro Commuter Passes	1,719	8,000	8,000	8,000
3409	Office Equipment Rental	7,691	8,000	8,000	8,000
3510	Telephone	11,851	14,000	13,100	13,100
3515	Communication Lines	4,892	6,000	5,500	6,000
3615	Computer Eq/Software Maint Svc	2,778	7,600	5,600	7,600
3625	Office Equipment Services	0	1,000	1,000	1,000
3765	IntFd Photocopy Services	0	1,000	1,000	1,000
3794	Print Shop Services	19,672	17,800	12,400	13,500
3805	Printing & Reproduction Srvcs	82,826	99,500	99,200	99,200

FISCAL YEAR 2005 BUDGET

Fund Name : **Health Benefits**
 Department Name : **Human Resources**
 Fund/Department No. : **888 / 80**

ACCT	DESCRIPTION	FY2003 Actual	FY2004 Budget	FY2004 Estimate	FY2005 Budget
3895	Misc Other Services & Charges	10,086	3,500	3,000	3,000
3900	Education & Training	13,936	18,000	17,500	18,000
3905	Membership & Professional Fees	4,983	6,000	6,000	6,000
3910	Travel-Training Related	2,375	3,000	3,000	3,000
3950	Travel-Non-training Related	2,150	2,000	2,300	2,400
Total Other Services and Charges		157,100,560	186,624,513	183,600,047	225,643,117
4455	Other Communications Equipment	0	350,000	0	100,000
4467	Furniture & Fixtures	0	300	300	300
Total Equipment		0	350,300	300	100,300
4820	Non-Capital Computer Equipment	0	8,400	8,400	14,700
Total Non-Capital Equipment		0	8,400	8,400	14,700
Grand Total Expenditures		159,196,062	189,150,626	185,713,960	228,065,019